<u>SSB 5812</u> - S AMD **235** By Senator Palumbo

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ADOPTED AS AMENDED 03/11/2019

1 Strike everything after the enacting clause and insert the 2 following:

- 3 "NEW SECTION. Sec. 1. FINDINGS AND INTENT. (1) The legislature 4 makes the following findings:
 - (a) Washington state is experiencing a housing affordability crisis. Many communities across the state are in need of more housing options for renters.
 - (b) Accessory dwelling units typically rent below market rate, providing additional affordable housing options for renters.
 - (c) Accessory dwelling units also help to provide housing for very low-income households. More than ten percent of accessory dwelling units in some areas are occupied by tenants who pay no rent at all; among these tenants are grandparents, adult children, family members with disabilities, and friends going through life transitions. Accessory dwelling units meet the needs of these people who might otherwise require subsidized housing space and resources needed by other households.
 - (d) Homeowners who add an accessory dwelling unit to her or his property may benefit from added income and an increased sense of security.
 - (e) Accessory dwelling units can also benefit neighborhoods by expanding rental options near public amenities such as schools, parks, and transit without changing the look and feel of existing neighborhoods.
 - (f) Accessory dwelling units may reduce economic displacement in existing communities by expanding the range of available housing options and prices.
- 28 (g) Accessory dwelling units are a housing choice that provides 29 environmental benefits. They promote energy conservation compared 30 with average size single-family homes. In addition, the siting of 31 additional accessory dwelling units near transit hubs can help to 32 reduce greenhouse gas emissions.

- (h) Removing certain regulatory barriers to the construction of accessory dwelling units, such as inflexible design standards and siting restrictions, may substantially reduce construction costs, thereby enabling more homeowners to add accessory dwelling units to their properties. The increased availability of accessory dwelling units will provide benefits to homeowners, renters, the community, and the environment.
 - (2) The legislature intends to promote and encourage the creation of accessory dwelling units as a means to address the need for additional affordable housing options. The legislature encourages local governments to increase the availability of affordable housing by subsidizing accessory dwelling units with local sales tax revenue, as authorized by House Bill No. 1406.

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- NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 17 (1) "Accessory dwelling unit" means a dwelling unit located on 18 the same lot as a single-family housing unit.
- 19 (2) "Attached accessory dwelling unit" means an accessory 20 dwelling unit located within or attached to a single-family housing 21 unit.
- 22 (3) "Detached accessory dwelling unit" means an accessory 23 dwelling unit that consists partly or entirely of a building that is 24 separate and detached from a single-family housing unit.
 - (4) "Dwelling unit" means a residential living unit that provides complete independent living facilities for one or more persons and that includes permanent provisions for living, sleeping, eating, cooking, and sanitation.
 - (5) "Cities" means, except as provided in section 4(2) of this act, (a) all cities, code cities, and towns with a population of ten thousand or more, and (b) all cities, code cities, and towns with a population of at least two thousand five hundred but less than ten thousand in which any portion of the city, code city, or town lies within the boundaries of a regional transit authority or a transit agency as defined in RCW 81.104.015.
- 36 (6) "Counties" means all counties with a population of fifteen 37 thousand or more.

- 1 (7) "Gross floor area" means the interior habitable area of a 2 dwelling unit including basements and attics but not including a 3 garage or accessory structure.
- 4 (8) "Single-family housing unit" means a single-family detached 5 house, and excludes a duplex, triplex, townhome, or other housing 6 unit.
- NEW SECTION. Sec. 3. ACCESSORY DWELLING UNIT REGULATIONS
 REQUIRED. (1) Cities and counties must adopt or amend by ordinance
 and incorporate into their development regulations, zoning
 regulations, and other official controls, an authorization for the
 creation of accessory dwelling units that is consistent with this
 chapter.

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- (2) Ordinances, development regulations, and other official controls adopted or amended pursuant to this chapter may only apply in the portions of towns, cities, and counties that are within designated urban growth areas.
- (3) Cities and counties must implement the requirements of this chapter by June 1, 2021. Any city or county that does not comply with this subsection must consider any permit application it receives under this chapter in accordance with this chapter unless it adopts its own ordinance, development regulation, or other official control in accordance with this subsection within sixty days after receipt of the application.
- 24 (4) Any action taken by a county or city to comply with the 25 requirements of this chapter within its urban growth area boundary is 26 not subject to legal challenge under chapter 36.70A or 43.21C RCW. 27 This subsection is retroactive, as well as prospective, and applies 28 to any legal challenge commenced on or after January 1, 2018.
- NEW SECTION. Sec. 4. GENERAL REGULATORY REQUIREMENTS. (1)
 Ordinances, development regulations, and other official controls
 adopted or amended as required by this chapter:
- (a) Must allow, on lots on which there is a single-family housing 32 unit either one attached accessory dwelling unit or one detached 33 accessory dwelling unit. To allow local flexibility, the requirement 34 under this subsection (1)(a) is subject to such regulations, 35 conditions, procedures, and limitations as determined by the local 36 legislative authority except as provided in this section. Attached or 37 detached accessory dwelling units may be considered as 38 not S-2776.1/19Code Rev/RB:amh 3

1 contributing to the overall underlying density within the urban 2 growth area boundary of a county for purposes of compliance with 3 chapter 36.70A RCW;

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- (b) May not impose a minimum lot size requirement for the siting of accessory dwelling units;
- (c) May not be inconsistent with water availability requirements, water system plans, small water system management plans, or established policies adopted by cities or counties. Any connection fees or capacity charges for attached or detached accessory dwelling units must be proportionate to the burden of the proposed accessory dwelling unit upon the water or sewer system;
- (e) Must require an accessory dwelling unit to be accessible to fire department apparatus by way of a public street or approved fire apparatus access;
- 15 (f) May not count residents of accessory dwelling units against 16 any limits on the number of unrelated residents on a single-family 17 lot;
 - (g) May not establish a requirement for the provision of offstreet parking for accessory dwelling units within one-half mile of a transit stop for fixed rail or for bus service that is scheduled at least every fifteen minutes for no less than ten hours per day. Except as provided in this subsection (1)(g), jurisdictions may require up to one additional off-street parking space per lot in which there is at least one accessory dwelling unit; and
 - (h) May not count the gross floor area of an accessory dwelling unit against any floor area ratio limitations that apply to single-family housing units.
 - (2) Any city with a population of one hundred thousand or more may not require the owner of a lot on which there is an accessory dwelling unit to reside in or occupy the accessory dwelling unit or another housing unit on the same lot.
- NEW SECTION. Sec. 5. DEVELOPMENT STANDARDS. (1) Ordinances, development regulations, and other official controls adopted or amended as required by this chapter are encouraged to minimize the impact of these ordinances and regulations on the construction cost of an accessory dwelling unit, and without adopted findings:
- 37 (a) Should not establish a roof height limitation on detached 38 accessory dwelling units that is less than twenty-four feet;

- 1 (b) Should not establish a wall height limitation on detached 2 accessory dwelling units that is less than seventeen feet;
- 3 (c) Should not establish a maximum gross floor area for accessory dwelling units that is less than one thousand square feet;
- 5 (d) Should not establish a minimum gross floor area for accessory 6 dwelling units that is greater than one hundred forty square feet; 7 and
- 8 (e) Should not establish setback regulations for accessory 9 dwelling units that are more restrictive than regulations for single-10 family housing units.
- 11 (2) Such ordinances, regulations, and controls may exempt 12 designated historical districts that are recognized as such under 13 local ordinance.
- 14 (3) Cities are encouraged to allow detached accessory dwelling 15 units to be sited at the lot line of the rear yard if the rear yard 16 is adjacent to an alley.
- NEW SECTION. Sec. 6. IMPACT FEE REVIEW. Cities and counties must review their impact fees to ensure that any impact fees imposed for accessory dwelling units, in accordance with RCW 82.02.060(9), are commensurate with the actual impact of the accessory dwelling unit and are less than impact fees for single-family housing units.
- NEW SECTION. Sec. 7. A new section is added to chapter 19.27 RCW to read as follows:
- By April 1, 2020, the building code council shall adopt rules pertaining to accessory dwelling units that are consistent with the definitions and standards in chapter 36.--- RCW (the new chapter created in section 14 of this act).
- 28 **Sec. 8.** RCW 82.02.060 and 2012 c 200 s 1 are each amended to 29 read as follows:
- The local ordinance by which impact fees are imposed:
- 31 (1) Shall include a schedule of impact fees which shall be 32 adopted for each type of development activity that is subject to 33 impact fees, specifying the amount of the impact fee to be imposed 34 for each type of system improvement. The schedule shall be based upon 35 a formula or other method of calculating such impact fees. In 36 determining proportionate share, the formula or other method of

- 1 calculating impact fees shall incorporate, among other things, the 2 following:
- 3 (a) The cost of public facilities necessitated by new 4 development;

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- (b) An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;
- (c) The availability of other means of funding public facility improvements;
 - (d) The cost of existing public facilities improvements; and
 - (e) The methods by which public facilities improvements were financed;
 - (2) May provide an exemption for low-income housing, and other development activities with broad public purposes, from these impact fees, provided that the impact fees for such development activity shall be paid from public funds other than impact fee accounts;
 - (3) May provide an exemption from impact fees for low-income housing. Local governments that grant exemptions for low-income housing under this subsection (3) may either: Grant a partial exemption of not more than eighty percent of impact fees, in which case there is no explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts. An exemption for low-income housing granted under subsection (2) of this section or this subsection (3) must be conditioned upon requiring the developer to record a covenant that, except as provided otherwise by this subsection, prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion. Covenants required by this subsection must be recorded with the applicable county auditor or recording officer. A local government granting an exemption under subsection (2) of this section or this subsection (3) for low-income housing may not collect revenue lost through granting an exemption by increasing impact fees unrelated to the exemption. A

school district who receives school impact fees must approve any exemption under subsection (2) of this section or this subsection (3);

- (4) Shall provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and that are required by the county, city, or town as a condition of approving the development activity;
- 10 (5) Shall allow the county, city, or town imposing the impact 11 fees to adjust the standard impact fee at the time the fee is imposed 12 to consider unusual circumstances in specific cases to ensure that 13 impact fees are imposed fairly;
 - (6) Shall include a provision for calculating the amount of the fee to be imposed on a particular development that permits consideration of studies and data submitted by the developer to adjust the amount of the fee;
 - (7) Shall establish one or more reasonable service areas within which it shall calculate and impose impact fees for various land use categories per unit of development; and
 - (8) May provide for the imposition of an impact fee for system improvement costs previously incurred by a county, city, or town to the extent that new growth and development will be served by the previously constructed improvements provided such fee shall not be imposed to make up for any system improvement deficiencies.
 - (9) May provide an exemption from impact fees for accessory dwelling units as defined in section 2 of this act, but may not establish an impact fee amount for accessory dwelling units within one-half mile of a transit stop for fixed rail or for bus service that is scheduled at least every fifteen minutes for no less than ten hours per day that is greater than fifty percent of the amount set for single-family residences.

For purposes of this section, "low-income housing" means housing with a monthly housing expense, that is no greater than thirty percent of eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development.

Sec. 9. RCW 35.63.210 and 1993 c 478 s 8 are each amended to 39 read as follows:

- 1 Any ((local government)) <u>city or county</u>, as defined in ((RCW
- 2 43.63A.215)) section 2 of this act, that is planning under this
- 3 chapter shall comply with ((RCW 43.63A.215(3))) chapter 36.-- RCW
- 4 (the new chapter created in section 14 of this act).
- 5 **Sec. 10.** RCW 35A.63.230 and 1993 c 478 s 9 are each amended to
- 6 read as follows:
- 7 Any $((\frac{1 \text{ ocal government}}{2}))$ city or county, as defined in $((\frac{RCW}{2}))$
- 8 43.63A.215)) section 2 of this act, that is planning under this
- 9 chapter shall comply with ((RCW 43.63A.215(3))) chapter 36.--- RCW
- 10 (the new chapter created in section 14 of this act).
- 11 **Sec. 11.** RCW 36.70.677 and 1993 c 478 s 10 are each amended to
- 12 read as follows:
- 13 Any ((local government)) <u>city or county</u>, as defined in ((RCW
- 14 43.63A.215)) section 2 of this act, that is planning under this
- 15 chapter shall comply with ((RCW 43.63A.215(3))) chapter 36.--- RCW
- 16 (the new chapter created in section 14 of this act).
- 17 **Sec. 12.** RCW 36.70A.400 and 1993 c 478 s 11 are each amended to
- 18 read as follows:
- 19 Any ((local government)) <u>city or county</u>, as defined in ((RCW
- 20 43.63A.215)) section 2 of this act, that is planning under this
- 21 chapter shall comply with ((RCW 43.63A.215(3))) chapter 36.--- RCW
- 22 (the new chapter created in section 14 of this act).
- NEW SECTION. Sec. 13. RCW 43.63A.215 (Accessory apartments—
- 24 Development and placement—Local governments) and 1993 c 478 s 7 are
- 25 each repealed.
- NEW SECTION. Sec. 14. Sections 1 through 6 of this act
- 27 constitute a new chapter in Title 36 RCW."

<u>SSB 5812</u> - S AMD 235

By Senator Palumbo

ADOPTED AS AMENDED 03/11/2019

- On page 1, line 2 of the title, after "units;" strike the
- 29 remainder of the title and insert "amending RCW 82.02.060, 35.63.210,

- 1 35A.63.230, 36.70.677, and 36.70A.400; adding a new section to
- 2 chapter 19.27 RCW; adding a new chapter to Title 36 RCW; and
- 3 repealing RCW 43.63A.215."
 - $\underline{\text{EFFECT:}}$ (1) Clarifies that any action taken by counties and cities to comply with this act within urban growth area (UGA) boundaries are not subject to legal challenge brought, on or after January 1, 2018, under the GMA or SEPA.
 - (2) Modifies the requirement that local ordinances and development regulations must allow for ADUs on all lots that contain a single-family housing unit, duplex, or triplex to single-family housing lots only with the allowance restricted to either an attached ADU or detached ADU, and subjects this requirement to any local regulations and limitations as determined by the local legislative authority.
 - (3) Clarifies that ADUs may not be considered as contributing to the underlying density with the UGA boundary of a county for GMA compliance purposes.
 - (4) Removes language addressing new or separate utility connections and basing connection fees and capacity charges on the size and number of plumbing fixtures for ADUs.
 - (5) Requires local ADU regulations to not be inconsistent with water availability requirements, water system plans, or established policies adopted by cities or counties.
 - (6) Removes the restriction on the prohibition on the sale or conveyance of a condo unit based on the grounds it was originally an ADU.
 - (7) Requires ADUs to be accessible to fire department apparatus by way of public street or approved fire apparatus access.
 - (8) Modifies the off-street parking prohibition to ADUs within .5 miles of a transit stop for fixed rail or for regular bus service.
 - (9) Encourages local regulations to minimize their impact on ADU construction costs.
 - (10) Encourages, instead of mandates, local regulations not to establish setback regulations for ADUs more restrictive than single-family housing unit regulations.
 - (11) Removes the prohibition on establishing tree retention requirements for ADUs in addition to those for single-family units.
 - (12) Authorizes local regulations to exempt designated historical districts.
 - (13) Requires cities and counties to review impact fees to ensure that impact fees on ADUs are commensurate with actual impact of the ADU and are less than impact fees on single-family housing units.
 - (14) Removes the requirement that cities and counties adopt ordinances and regulations regarding minimum gross floor area consistent with the act.
 - (15) Clarifies that cities of at least 2,500 and less than 10,000 and of which any portion lies within the boundaries of a regional transit authority or a transit agency are subject to the requirements of the act.

--- END ---